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August 6, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S. W. – Room TWB-204
Washington, D. C. 20554

Re: *Ex parte*, CC Docket No. 98-56, Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance

Dear Ms. Roman Salas,

Attached is AT&T's response to BellSouth's Second Proposal for Voluntary Self-Effectuating Enforcement Mechanisms ("VSEEM II"). AT&T here discusses the proposed magnitude of possible penalties, whether VSEEM II contains the appropriate level of measurement disaggregation and what performance measurements are missing from the proposal. Please include a copy of this Notice in the record of the above-captioned proceeding.

Pursuant to Sections 1.1206(b)(1) and (b)(2) of the Commission's rules, an original and one copy of this letter and attachment are being filed with the Office of the Secretary.

Sincerely,

ATTACHMENT

cc: M. Pryor
C. Pabo
D. Shiman
E. Einhorn
J. Stanley

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List ABCDE

Response to BellSouth's second proposal for
Voluntary Self-Effectuating Enforcement Mechanisms ("VSEEM II")

The Commission in its decision in Louisiana II made clear that the public interest demands a self-executing enforcement mechanism to ensure Regional Bell Operating Companies' (RBOC) compliance with established performance standards.[1] This Commission also emphasized in the Louisiana II decision that enforcement mechanisms that require new entrants to engage in lengthy and contentious legal and regulatory proceedings concerning performance disputes will not be considered to be in the public interest as the Commission considers RBOCs' future applications for in-region, interLATA authority.[2]

The Commission's Common Carrier Bureau Staff ("Bureau Staff") provided in a recent letter further direction to BellSouth concerning the Commission's evaluation of any proposed performance measures methodology.[3] Among the several items that the Bureau Staff suggested that BellSouth include in its system for payments for poor performance are: a statistical methodology for comparing actual performance results to retail analogs or benchmarks, a threshold for determining whether differences in performance are competitively significant, and meaningful penalty amounts to prevent "backsliding."[4]

A self-enforcing system of consequences is needed to assure that ILECs have appropriate incentives to comply, on an on-going basis, with their Section 251 obligations to provide CLECs with nondiscriminatory support. Although there may be no single "best" solution, any system adopted by the Commission should adhere to a limited set of essential principles. Those principles are as follows:

1. Consequences are severe enough to encourage compliance with performance standards and deter misconduct, rather than merely become an ILEC cost of doing business.[5]
2. Consequences escalate based on both increased statistical "certainty" of the performance failure and repeated occurrence of performance failures.[6]

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[1] In the Matter of Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, CC Docket No. 98-121, Memorandum Opinion and Order, FCC 98-271, October 13, 1998, ¶ 364, ("Louisiana II").
[2] Id.
[3] See letter from the FCC Common Carrier Bureau Staff to Mr. Sid Boren of BellSouth, February 10,1999.
[4] Id.
[5] The Commission should note, as an example, institution of absolute caps on consequences provides an easy mechanism for the ILEC to perform a business case to determine if it is in the shareholders' best interest to provide conforming support and lose market share or to provide discriminatory support and pay the capped consequence. Beyond this, capping sends the perverse signal that, once the cap has been met, further degradation of support doesn't matter because no further consequence attaches.
[6] The statistical certainty of the failure is relevant only to instances where CLEC performance is compared to analogous ILEC performance. In that case as the statistical confidence in the declaration of the failure increases, so should the consequence. Where performance is compared to an absolute standard of *min*imally acceptable performance (i.e., a benchmark) no statistical analysis is required or appropriate, and the consequence should increase as the reported performance (compared to the benchmark) worsens.

3. Additional consequences apply for industry-wide poor performance[7].
4. Minimal automatic exclusion of measurements or underlying data points from remedies to prevent ILECs from engaging in targeted poor performance[8]
5. Predetermined consequences apply without delay and expense.[9]
6. Payments to individual CLECs that suffer performance failures are calculated per metric failed.[10]

BellSouth continues to suggest that its proposal (or apparently any plan for self-executing consequences) cannot be invoked unless it receives authority under Section 271 of the Telecommunications Act of 1996 to provide in-region, interLATA services. BellSouth's suggestion that no consequences apply until Section 271 relief is granted is self-serving and without merit. Self-enforcing consequences are equally useful in assuring the 251 requirements relating to non-discrimination are met, regardless of whether a section 271 application has been made or approved.

With respect to performance measures, it is reasonable to presume that the performance measurements that provide the basis for self-enforcing consequences be consistent with those employed for evaluating a Section 271 application. Regardless of the specific measurement results considered in a plan for self-enforcing consequences, the Commission should maintain that Section 271 relief be conditioned upon a fully validated (i.e., independently audited) comprehensive performance measurement methodology. Unless and until (1) all key aspects of performance are monitored, (2) results are sufficiently disaggregated to permit meaningful comparisons to performance standards, and (3) the performance measurement system is validated and the results are stable, it is unlikely that a sufficient plan for self-enforcing consequences could be fully specified. It would be premature to seriously entertain section 271 relief until all these activities are completed.

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[7] The Commission should note that as the data evaluated become more aggregated (i.e., across all CLECs or possibly across all CLECs operating in a particular region) inherent variability of the data becomes greater and, all other things held equal, bigger differences in the reported means will need to occur before a performance violation occurs. Thus, in addition to the fact that the impact on a broader base of customers argues for application of greater consequences, the fact that larger differences in performance must exist before declaration of a failure also argues for escalation of the consequence.

[8] The area of data exclusion is one that is particularly ripe for abuse if oversight is not provided. AT&T does not oppose exclusion of performance that is beyond the control of the ILEC (e.g., customer not ready). However, if the decision to exclude a data point lays exclusively with the ILEC and the criterion for exclusion is highly subjective (as in the case of customer not ready), controls must be in place to assure that the relative proportion of data points excluded from calculation of a result is tracked and that, upon investigation, the reason for the exclusion can be readily determined.

[9] As noted earlier, preset absolute caps on consequences frustrate satisfaction of this principle. Nevertheless, AT&T does not advocate mindless application of consequences. Procedural caps, which are available after a certain level of consequences are due, are not objectionable provided that all consequences due are paid into an escrow account during the review period and, if the review determines that consequences beyond the procedural cap are merited, then some or all of the CLECs' reasonable litigation costs are reimbursed.

[10] Such payments, presumably, would be governed under the terms of the applicable interconnection agreement but should be a non-exclusive remedy.

Summary of AT&T's Proposal

The general approach to the application of consequences that AT&T recommends involves two separate evaluations: (1) the quality of support delivered to each individual CLEC, and (2) the quality of support delivered to the CLEC industry in the aggregate. Monetary consequences in the former situation would be payable to the affected CLEC; in the latter, they would be payable to the governmental agency as regulatory fines.

Any system of consequences payable to the CLECs should be based on a comprehensive set of performance measurements and an assessment of results that rests upon sound statistical procedures that judge whether the ILEC's measured performance (sufficiently disaggregated[11] to assure that performance is accurately compared) reflects nondiscriminatory performance. Quantitative tools should be employed to evaluate if the performance actually delivered by the ILEC is nondiscriminatory, based upon a stated statistical test.[12] If the ILEC's performance falls short of the identified retail analog, the statistical tool should support making a classification regarding "severity."[13] As an example, a basic failure should be declared if the modified z-statistic value is 1 while "severe" failure should be recorded if the calculated modified z-statistic is 3 or larger. In order to provide incentives to maintain on-going performance at the stated level, consequences should be greater for more "severe" failures. A separate determination would be based upon the ILEC's performance over time. As an example, three consecutive failures for the same measurement should constitute a "chronic" failure. Consequences for chronic failures should be no less than those that are applied when a severe failure occurs in an individual month.

As with measurements where results are compared to analogous performance of the ILEC, escalating consequences should be applicable to performance misses for measurements where a benchmark serves as the performance standard. In such case, the escalation of the consequence for severity would logically be based on worsening performance in comparison to the established benchmark. The escalation for chronic failures would be consistent with that for measurements with a retail analogs.

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[11] LCUG Service Quality Measurements Version 7 document discusses in detail the disaggregation that is necessary to monitor ILEC performance adequately. Disaggregation is primarily intended to separate the data collected into homogenous sets where the parameters affecting delivered performance in each data set are identical. For example, it would be inappropriate to compare the performance for a CLEC operating in a highly urban environment to the statewide result for an ILEC if the customer density was a factor influencing the measured performance (for example, mean time to repair)

[12] As stated earlier, statistical procedures are employed for evaluating individual CLEC performance results in comparison to a retail analog. Statistical tools should *not* be used to evaluate CLEC performance in comparison to a benchmark unless the benchmark was designed with the specific intent of subsequently applying a statistical procedure for evaluating the result. Nevertheless, statistical procedures are employed for evaluating whether the total number of measurements failing (whether for an individual CLEC or the aggregation of CLECs) exceeds that expected due to random variation.

[13] The term "severity" is used for simplicity. When two means are compared, the statistical test permits conclusions to be drawn with varying degree of statistical confidence. As statistical certainty increases (e.g., from 95% to ~99.9% , which are reflected by modified z-statistic values of 1.65 and 3.0, respectively) the attached consequence should increase as well.

Because quantitative decision tools are employed to judge the quality of the performance against a pre-established standard, application of consequences should be immediate and payment of consequences should likewise be due immediately (i.e., no further regulatory or judicial action should be required). Root cause analysis is a useful procedure for building action plans for unacceptable performance and should be incorporated within a performance measurement system, but it cannot serve as a vehicle for delaying or otherwise avoiding payment of identified performance failures.

In addition to consequences that are based on the quality of support delivered to individual CLECs, regulatory bodies need to take action to prevent backsliding that is so pervasive that it affects the operation of the competitive market in general. Clearly, the consequences applicable under individual CLEC contractual provisions will not likely be sufficient, either on an individual or cumulative basis, to neutralize economic benefits of maintaining monopoly control of the local market place.[14] Thus, regulatory consequences (referred to as tier II consequences) are required in addition to consequences payable by the incumbent to an individual CLEC (tier I consequences). Fortunately, the same measurements and measurement results used to evaluate the support an ILEC delivers to individual CLECs can be used to evaluate the quality of support provided to the CLEC industry. For tier II consequences, the data for individual CLECs is aggregated across all CLECs for each reported measurement. Analysis of aggregated CLEC data focuses upon how many measurements failed (regardless of the severity) in the report month, at the aggregate level. Consequences apply when a conclusion is reached (at a high level of statistical confidence) that the number of aggregate measurements that fail for the month (and in consecutive months) goes beyond that expected to occur due solely to random variation.

There is more than one method that can be used to calculate appropriate ILEC consequences at an industry level. The key need is that the combined impact of the Tier I and Tier II consequence provide a sufficient incentive that (1) the incumbent not permit performance to deteriorate to a level that performance failures occur and (2) should performance failures occur, that incentive exists to quickly correct the situation. As a result, Tier II consequences can and should be much more substantial than tier I consequences. One basis for tier II consequence is to tie the amount to the number of access lines in service within the ILEC's operating territory. The attractiveness of this structure is that it automatically scales according to the size of the market impacted by the non-compliant performance (e.g. the larger the number of lines, the larger the applicable fine).

As a final consideration, consequences should escalate upon approval of an RBOC's Section 271 application, or a non-RBOC's decision to provide in-region interLATA services. Such an approach reflects the greater potential for damage to the competitive process resulting from backsliding.

[14] If the annual local service revenues are measured in terms of billions of dollars while the liquidated damages available through contractual provisions is measured in thousands of dollars, the provisions cannot serve to effectively protect the operation of the market place.

Summary of BellSouth's Proposal

BellSouth proposes only a small subset of the measures, specified in their June 9, 1999 Service Quality Measures (SQM), upon which to base a decision that it is meeting its obligation to provide nondiscriminatory resale, unbundled network elements and interconnection services to competitive local exchange carriers. Such a limited set of areas monitored is inadequate for preventing backsliding and, in the context of making the necessary Section 271 demonstration of nondiscrimination, are woefully inadequate to the point of absurdity. Only 24 measures are proposed, and 5 of those are incompletely developed. BellSouth's proposal suggests comparisons will be made against retail analogs but no discussion of designated retail analogs is included in the proposal. BellSouth also states that benchmarks will be established where no retail analog exists; however, actual benchmarks for individual measures are missing from the proposal. Thus, the proposal is more notable in it incompleteness than in its ability to achieve its stated purpose.

The BellSouth proposal states that a statistical test will be performed for parity determination. The proposal lists two possible methodologies for the statistical analysis. It is unclear as to whether the so called "Jackknife Modified-Z" or "Adjusted LCUG Modified Z" test will be used. Each of these methodologies differs from the modified Z-tests proposed by AT&T and others. Nevertheless, as discussed in the recent AT&T ex parte letter, each BellSouth methodology is deficient in comparison to the modified Z-test methodology and neither have been considered or endorsed in any way by LCUG.[15]

BellSouth recommends the following reporting dimensions:

- CLEC specific
- CLEC aggregate
- BST Aggregate
- MSA Level
- Mode of Entry
- Product Type
- Field Work Activity

Even given the superficial material supplied by BellSouth, it is clear that the proposed result disaggregation is insufficient. For example, only six CLEC product groups, namely resale POTS, resale design, UNE loop+port combinations, UNE loops, LNP & Trunking subcategories are proposed. As a result, BellSouth's proposal does not include sufficient product specific level of disaggregation. Reasonable reading of the BellSouth material leads to the conclusion that POTS loops, DSL 2-wire, DSL 4-wire, ISDN 2-wire and ISDN 4-wire and 4-wire digital loops would all be aggregated together and reported as a single result. The fact that BellSouth could be discriminating in the support of one type UNE loop (e.g., xDSL) and providing marginally superior support with a different UNE loop product (e.g., residential POTS) would never surface due to the data aggregation BellSouth proposes. Thus, not only could the inadequate disaggregation

[15] See letter to Ms. Magalie Roman Salas, FCC Secretary from Mr. F. Simone, Government Affairs Directory, AT&T, CC Docket No. 98-56, July 13, 1999.

mask discrimination but it could also allow BellSouth to influence where and how fast competition may develop for specific products.

Because they lack access to the detailed data possessed by the incumbent, CLECs cannot determine how much disaggregation is sufficient to make apples-to-apples comparisons of BellSouth's performance results. Despite the fact that only it has access to the necessary data, and despite the fact that statistical procedures exist that can demonstrate whether or not the disaggregation variables correlate with performance differences, BellSouth (like other incumbents) has made no factual demonstration that the proposed level of disaggregation captures all but random variation. Indeed, the limited analysis that has been possible based upon BellSouth's own data shows that disaggregation to a much lower level is essential to eliminate systematic bias.[16]

BellSouth proposes 2 levels of consequences. Tier-1 enforcement mechanisms are derived from the concept of liquidated damages and are paid directly to the CLECs, while Tier-2 enforcement mechanisms are paid directly to the PSC or their designated agency. The proposal states that an enforcement mechanism is triggered by a parity or benchmark miss in any of the 24 measurements. However, it proposes that discriminatory support of CLECs in billing and pre-ordering support will only impact Tier 2 consequences. It is incomprehensible why an individual CLEC that is receiving deficient billing or pre-ordering support should be denied a remedy unless the CLEC industry as a group is experiencing discriminatory treatment.

I. Consequences Are Not Sufficient To Irreversibly Open Local Markets To Competition

BellSouth's proposal omits any discussion of dollar amounts associated with violations. Therefore, the actual magnitude of consequences cannot be determined. Thus the effectiveness of the plan, even if it were otherwise satisfactory (and it is not) cannot be assessed. Clearly, the potential economic ramification for BellSouth must be sufficient to neutralize the economic benefits of maintaining high market share as a result of its inferior or discriminatory performance for CLECs. Additionally, the potential consequences must be sufficient both to encourage proactive steps to assure compliant performance and to incent immediate action when performance failures occur. The BellSouth remedies methodology does not demonstrate the ability to achieve any of these ends; thus, it is not sufficient to prevent backsliding.

Further, consequences should increase according to (a) the degree of confidence in the determination of a performance failure (magnitude of the modified z score when parity is the performance requirement and the relative deviation from the minimally acceptable performance level when a benchmark is the standard for performance) and (b) the repetitive occurrence of the performance failure. BellSouth's calculations do not illustrate that consequences increase for repetitive occurrences of performance failures.

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[16] See letter to Ms. Magalie Roman Salas, FCC Secretary from Mr. F. Simone, Government Affairs Directory, AT&T, CC Docket No. 98-56, July 20, 1999.

BellSouth's proposal is also unclear as to what triggers Tier II remedies that are payable to the PSC or its designated agency. BellSouth states that the Tier II remedies are based on quarterly CLEC Industry performance but it is entirely unclear whether each month in the quarter will be assessed or if aggregation of performance across months is intended. Even if the former approach is intended, it is likewise unclear if, inappropriately, the "slate is wiped clean" at the end of each quarter (i.e., consecutive failures in February, March and April would not constitute a chronic failure because it bridges two quarters). In addition, linking Tier II remedies to quarterly reporting needlessly delays self-enforcement of consequences for what are even more flagrant violations of the performance requirements (i.e., the entire industry is being impacted rather than just an individual CLEC). As described above, aggregating results across CLECs within a single month makes detection of discrimination more difficult, due to likely greater variation in the underlying data. To further dilute the ability to detect discrimination with the possibility of additional averaging across months in a quarter is simply an effort to avoid application of otherwise appropriate consequences.

II. The Areas Of Performance Monitored Are Insufficient In Scope To Monitor For Backsliding That Would Harm The Development Of Local Competition.

BellSouth proposes an inadequate set of measures and, as a result, backsliding can occur in many operational areas without any consequence. The measures set forth by BellSouth do not cover the full scope of ILEC support required for unfettered local market competition to develop. All measures specified in the CLEC Measure column, on the matrix contained below, should have remedies attached that are based on BellSouth's performance delivered to individual CLECs, for each submetric missed. As illustrated in the matrix, many potentially important aspects of performance will not be examined due to the inadequate set of measures represented in the BellSouth proposal. The Commission should note that BellSouth's current VSEEM proposal only includes 24 of the 43 measures reflected in the BellSouth June 30, 1999 SQM. The potential harm to the competitive market is inversely proportionally to the breadth of the ILEC operations monitored. Therefore, if this Commission elected to implement a system of self-executing backsliding consequences for which remedies attach to only a small set of measurement results, the Commission should at the same time affirm that these measures are not sufficient to determine whether BellSouth is performing all of its Section 251 (or 271) obligations.

The following Table lists the measurements BellSouth includes in the VSEEM and compares those measurements to the list of measurements that AT&T (and many other CLECs) believe are essential for compliance monitoring and attachment of performance failure consequences whether at the individual CLEC (i.e., liquidated damages) or the aggregate CLEC (i.e., Tier II or regulatory consequence) level[17].

[17] As previously noted, AT&T supports the performance measurements listed in LCUG SQM Version 7.0 as the minimum list of measurements that must be monitored in order to establish Section 271 compliance and to support on-going Section 251 monitoring. Without access to detailed and adequately disaggregated performance results, an individual CLEC cannot hope to enforce its rights under the Act and other applicable laws. Such essential information has not and likely will not be voluntarily supplied by the incumbents.

CATEGORY	BST MEASURE	CLEC MEASURE
Pre-Ordering	OSS Interface Availability	Percent System Availability
	OSS Interface Response Time	Average Response Interval
	Percent Flow-Through	Percent Mechanized Order Flow-Through
	Percent Response Received Within "X" Seconds	
Ordering	FOC Timeliness for Mechanized Orders	FOC Interval
	Reject Timeliness for Mechanized Orders	Reject Interval
		% Order Rejected
		Average Number of Submissions Per Order
Provisioning	Average Order Completion Interval**(TBD)**	Average Completion Interval
	Order Completion Interval Distribution**(TBD)**	Average Completion Interval
	Percent Missed Installation Appointments	Percent Orders Completed On Time
	Percent Troubles Within 4 days of Installation	Percent Troubles Within 30 days of Install & Other Order Activity
		Average Offered Interval
		% Orders Held > 90 Days
		% Orders Held > 15 Days
		Held Order Interval
		Percent Service Loss from Late Cuts
		Percent Service Loss from Early Cuts
		% Order Accuracy
		Jeopardy Interval
		Completion Notice Interval
		Percent Jeopardies
		Percent Completions/Attempts Without Notice or with Less than 24 Hours Notice
Meintenance & Repair	Mean Average Duration	Mean Time To Restore
	Percent Missed Repair Appointments	Percent Customer Troubles Resolved within Estimate/Repair Appointment Met
	Customer Trouble Report Rate	Trouble Rate

	Repeat Troubles Within 30 Days	Repeat Trouble Rate
		Mean Jeopardy Interval for Maintenance & Trouble Handling
Trunk Blockage	Percent End-Office Trunk Blockage	
	Common Transport Trunk Blockage	
		Percent Call Completion
		Network Performance Parity
		Mean Time To Notify CLEC(Network Incident)
LNP	Disconnect Timeliness**(TBD)**	
	Percent Missed Installation Appointments**(TBD)**	Percent Orders Completed On Time
Coordinated Customer Conversions	Coordinated Customer Conversion	Average Coordinated Conversion Interval
Collocation	Percent Due Dates Missed	Percent Due Dates Met
		Mean Time Respond To Collocation Request
		Mean Time To Provide Collocation Arrangement
Billing	Invoice Timeliness	Mean Time To Deliver Invoice
	Invoice Accuracy	Percent Invoice Accuracy
	Usage Data Delivery Timeliness	Mean Time to Provide Recorded Usage Records
	Usage Data Delivery Accuracy	Percent Usage Accuracy
OSS/CLEC Service Centers		Mean Time to Answer Calls(CLEC Help Centers)
		Call Abandonment Rate(CLEC Help Centers)
Ancillary Services		Operator Services Mean Time to Answer
		Average Time Allotted To Proof Listing Updates Before Publication
		Average Update Interval
		Percent Update Accuracy
Interconnect/ Unbundled Elements &		Function Availability

Combos		
		Timeliness of Element Performance

III. BellSouth Proposes Insufficient Levels Of Disggregation.

BellSouth proposes to rely upon overly aggregated results. Such aggregation masks differences and makes detection of inferior performance less likely. For example, it appears that BellSouth is not proposing to disaggregate OSS reporting by all interface types currently used by CLECs, such as EDI, Web GUI, electronic bonding, fax, etc. These diverse interfaces can significantly impact intervals to the extent that aggregating them together could clearly mask discrimination.

Likewise, the proposal does not make adequate provisions for disaggregation by product or within a product group (e.g, by volume or type of activity). Performance interval results are often affected by the volume of service requested. As an example, a request of four 2-wire ISDN digital loops will result in a dissimilar interval to a request for twelve 2-wire ISDN digital loops. Furthermore, other critical levels of disaggregation, such as the separating xDSL loops from other loops, is not evident in this proposal. As discussed earlier, lack of sufficient product disaggregation could allow BellSouth to mask discrimination or influence the type and pace of developing competition. Other disaggregation such as by trouble type and disposition, order activity affecting intervals (such as new versus migration, dispatch and nondispatch, number of lines/orders) and preordering and maintenance query type are not specified as proposed levels of disaggregation and are thus a critical failing of the proposal

It is essential to note that BellSouth's reporting of measurement results must be at sufficiently disaggregated levels to enable CLECs and regulators to accurately compare results and draw reliable conclusions. Aggregating dissimilar situations makes detection of non-parity performance more difficult if not impossible. BellSouth and other incumbents have access to the necessary data and access to the appropriate statistical tools. Therefore, the incumbents should be required to demonstrate through facts, rather than assertions, that the proposed disaggregations of results are sufficient. It is important to note that past experiences have shown that when reported performance results are disadvantageous to the incumbent, further disaggregation quickly becomes feasible.

IV. BellSouth's Proposal Omits Measurements That Are Critical to Assuring Non-Discrimination

BellSouth apparently --and erroneously-- equates immediate retail customer impact upon customers as the threshold criteria for inclusion in its "voluntary plan". Certainly, immediate customer impact of a performance failure should qualify an activity for monitoring in a measurement plan and attachment of severe consequences for a performance failure. But even here, BellSouth omits critical measurements that relate to immediate customer impacting events. For example, network performance and held orders are measurement areas that LCUG identifies as critical and that NARUC recognized in its white paper (Service Quality White Paper, adopted 11/19/98) as

impacting directly upon end users. Nevertheless, both these performance areas are absent from the BellSouth VSEEM..

However, the backsliding plan must be broader in it scope than just immediate customer impact. The Commission must require that any backsliding plan must cover all forms of operational support required by the Act. Both blatant (directly and immediately customer observable) and subtle discrimination (CLEC operational support) will ultimately impact customers by frustrating the operation of competitive market forces. Due to the many omitted measures, BellSouth's proposal is not sufficiently comprehensive to serve as an adequate basis for a plan to deter backsliding. The following measures must be added to address this deficiency:

MEASURE	NECESSITY
Percent Orders Rejected	Sometimes CLECs receive order rejections and must resubmit orders for failures on the part of the ILEC's systems or lack of notice or training on changed formats and processes for order entry. Sometimes orders are rejected with no explanation or delayed for invalid queries by the ILECs. Often ILEC electronic editing systems reject an order one error at a time, rather than capture all the issues with the order on one submission. These rejections and resubmissions not only are burdensome to CLECs but delay service delivery to the customer.
Average Offered Interval	In order to be successful in the marketplace, CLECs must be capable of delivering service in the time frames equal to or better than the ILEC delivers for comparable service configurations and activities. The CLEC is negatively impacted when it does not have the same scheduling opportunities for service delivery. Also, CLECs need to be able to honor offered intervals to retain customers..
Mean Time To Respond To Collocation	CLECs need to know quickly whether space is available and the associated cost to adhere to timeliness and revenue ready dates in business plans. Delayed responses mean delayed collocation and market entry.
Held Order Interval	Customers expect work to be completed when promised. Clear discrimination exists if CLEC orders are held more frequently or longer for facilities or other

	reasons than ILEC orders. This measure reflects the magnitude of an appointment miss. While there may be parity in missed appointments for CLEC & ILEC retail customers, the held order intervals may be different.
% Orders Held ≥ 90 Days	Customers expect work to be completed when promised. Clear discrimination exists if CLEC orders are held more frequently or longer for facilities or other reasons than ILEC orders. This measure reflects the magnitude of an appointment miss. While there may be parity in missed appointments for CLEC & ILEC retail customers, the held order intervals may be different
% Orders Held ≥ 15 Days	Customers expect work to be completed when promised. Clear discrimination exists if CLEC orders are held more frequently or longer for facilities or other reasons than ILEC orders. This measure reflects the magnitude of an appointment miss. While there may be parity in missed appointments for CLEC & ILEC retail customers, the held order intervals may be different
Percent Service Loss From Early Cuts	Customers must not be subjected to unscheduled service disruptions. CLECS often have trouble with the ILEC taking their customer out of service on early cuts of facilities with ILNP and LNP. Such occurrences are very harmful to CLEC's reputations and can lead to costly lawsuits from the converting customer if service is lost unexpectedly during crucial business hours.
Percent Service Loss From Late Cuts	Another way for CLEC customers to suffer from degraded service through ILEC mistakes in hotcuts is the failure to install the 10-digit trigger for LNP before cutover. This often means the customer cannot receive personal or business calls. Remedies are needed to compel the ILEC to be vigilant in adhering to cutover procedures that reduce risk of such occurrences.

Percent Order Accuracy	With any rekeying of an order, mistakes can occur. CLECs need assurance that what they submit on their orders is not altered by ILEC rekeying. Customers become angry if features are missing or unwanted ones are added in the translations. Customers expect their service provider will deliver the service ordered and all the features specified. A service provider that is unreliable in fulfilling orders, will not only generate ill-will with customers when errors are made, but will also incur higher costs to rework orders and process customer complaints.
Average Update Interval – E911	CLECs must rely on ILEC databases in order to provide timely E911 services.Customers expect the CLEC to ensure that their 911 information is promptly loaded in all databases. They should not have to wait to have their address placed in the E911 ALI database Disparity in timely updates can be annoying and costly to the CLEC customer..
Percent Update Accuracy– E911	CLECs must rely on ILEC databases in order to provide accurate E911 services. CLEC customers do not want emergency calls to be routed to wrong locations. Accuracy failures can inconvenience a customer or even be life threatening in the case of E911 calls.
Completion Notice Interval	CLECs need adequate notice of order completion activities. Completion notices allow the CLEC to begin its fulfillment process of welcoming the customer and sending out information on services and features ordered..
Percent Jeopardies	When customers call their service providers, they expect prompt answers regarding the progress on their orders. When changes must be made, such as to the expected delivery date,customers expect that they will be immediately

	notified so that they may modify their own plans. While not receiving a timely notice that some appointments may be missed is an important issue for CLEC-customer relationships, not being able to tell the customer at all that their appointment may be missed is a worse disparity. A CLEC that cannot fulfill such expectations will generate customer dissatisfaction.
Percent Completion Attempts Without Notice or with Less Than 24 Hours Notice	Absent or late notices can lead to Customer Not Ready situations where late service delivery is wrongly blamed on the CLEC. The CLECs look disorganized since they are caught off guard by a service delivery to their customers
Mean Time To Notify CLEC(Network Disruption/Restorals Affecting Customers)	CLECs need to be informed promptly when ILEC systems are down so that they can make alternative work plans. CLECs need timely and detailed information pertaining to a network incident to afford CLECs the opportunity to make prudent business decisions regarding management of their own customer base and network. Failure to timely inform CLECs of outages can cause them to waste time troubleshooting their own interfaces and headoff the ILEC's CLEC help centers from being inundated with calls about an already known outage..
Mean Jeopardy Interval for Maintenance & Trouble Handling	As with service delivery jeopardies, customers need to be informed if the interval provided them for when their service would be repaired will not be met. Customers also need to know that the CLEC is monitoring the status of their repair closely. The CLEC, therefore, needs jeopardy notification if repair commitments are not going to be met.
Mean Time To Respond To Collocation Request	CLECs need to receive timely responses describing the price and availability of collocation space.
Mean Time To Provide Collocation Arrangements	CLECs need ontime provisioning of collocation arrangements. The speed at which these arrangements are offered and provided also is critical to CLECs

	obtaining meaningful opportunity to compete in local markets.
Mean Time to Answer Calls(CLEC Help Centers)	When CLECs experience operational problems dealing with ILEC processes or interfaces, prompt responses by ILEC support centers are required to ensure that the CLEC customers are not adversely affected. Any delay in responding to CLEC center requests for support will, in turn, adversely impact the CLEC retail customer who may be holding on-line with the CLEC customer service agent.
Call Abandonment Rate(CLEC Help Centers)	CLECS should not have to waste their time holding in the ILEC's call center queue to have problems addressed. CLECs should be able to quickly reach a live CLEC rep and receive assistance promptly This metric can indicate that CLEC centers may be inadequately equipped and staffed.
Operator Services Mean Time To Answer	CLECs need parity in how quickly their customers' OS/DA calls are answered. Less than parity would result in harm to the CLEC because customers would be frustrated by longer waits. Even where the process provides parity, CLECs need to see reports on how quickly calls are answered so they can raise concerns if state performance requirements do not appear to be met.
Average Time Allotted To Proof Listing Updates Before Publication	CLECs must be provided the same opportunity to review directory listing updates to catch any errors before publication.
Average Number of Submissions Per Order	Sometimes CLECs receive order rejections and must resubmit orders for failures on the part of the ILECs' systems or lack of notice or training on changed formats and processes for order entry. Some orders are rejected with no explanation or delayed for invalid queries by ILECs. These resubmissions not only are burdensome to CLECs but delay service delivery to the customer.
Jeopardy Interval	CLECs need timely access to order progress information so that the customer may be updated or notified promptly when

	changes and rescheduling are necessary. Short intervals could result in unnecessary customer expenses due to cost associated with customers' rescheduling of their vendors on a short notice.
Percent Call Completion	When customers place calls, they expect that their calls will go through. Likewise, customers also expect that other callers will be able to reach them without having their calls blocked. In order to ensure that CLEC customers do not experience greater blocking to and from their lines than ILEC customers do, it is necessary to measure and compare blocking rates for ILEC and CLEC trunk usage.
Network Performance Parity	The perceived quality of CLEC retail services, particularly when either ILEC services are resold or UNE combinations are employed, will be heavily influenced by the underlying quality of the ILEC network performance. Customers experience the network quality of the service provider each time services are used. This metric, when collected for both the CLEC and ILEC and then compared, will help show whether CLEC network performance is at least at parity with ILEC network performance.
Mean Time To Notify CLEC(Network Incident)	ILECs must provide the CLECs with timely and detailed information(pertaining to network incident) to afford CLECs the opportunity to make prudent business decisions regarding management of their own customer base and networks.
Function Availability	As CLECs use individual elements and element combinations to deliver unique services, UNE functionality must operate properly to ensure that those elements support quality retail services. This measure monitors individual network elements or element combinations to ensure that CLECs have a meaningful opportunity to compete through access to and use of element functionality.
Timeliness of Element Performance	As CLECs use individual elements(as well

	as element combinations) to deliver unique services, it is essential that the UNE functionality operate in a timely manner.

Conclusion

BellSouth's proposal is vague, incomplete and will not provide even modest incentives to prevent or correct "backsliding" performance. The insufficient set of measures does not provide sufficient information regarding support activities essential to the development of competition. In the few instances where BellSouth proposes to permit examination of its performance, it offers inadequate levels of disaggregation that undoubtedly afford the opportunity to mask discrimination. Thus BellSouth's proposal should be rejected.

The Commission should require BellSouth, and all incumbents, to implement an effective plan that will encourage proper behavior by all incumbents (including BellSouth) in their support for resale, unbundled network elements, and interconnection to CLECs. The Commission should require a minimum set of well-defined comprehensive measures, require sufficient disaggregation (based upon factual demonstration of adequacy), support the modified z-statistic proposed by AT&T as the appropriate statistical methodology for comparing CLEC and analogous ILEC performance, and adopt the framework described by AT&T above, to assure that incumbents cannot treat performance failures as a minor cost of doing business. In addition, the Commission should require an independent performance audit to validate the incumbent's performance measurement system before performance measurement results are accepted for purposes of contract enforcement, Section 271 relief or determining backsliding consequences.